

### Claims

Having thus described the invention, what is claimed as new and desired to be secured by Letters Patent is as follows:

1           1. A method for electronically redeeming consumer-  
2 selected coupons, comprising:

3           electronically storing coupon data on a portable coupon  
4           card, said coupon data including a plurality of coupons  
5           selected by a consumer, an expiration date for  
6           redemption of said consumer-selected coupons, a  
7           plurality of redemption numbers representing the number  
8           of times respective consumer-selected coupons may be  
9           redeemed prior to said expiration date;

10          providing said portable coupon card to said consumer;

11          electronically scanning a bar code associated with a  
12          product selected by said consumer to derive a price and  
13          inventory information related to said product;

14          electronically scanning said portable coupon card of said  
15          consumer so as to read said coupon data stored thereon;  
16          reducing said price associated with said selected product  
17          based on said coupon data stored on said portable  
18          coupon card.

1           2. The method as in claim 1 wherein said plurality of  
2 consumer-selected coupons are selected from an on-line library  
3 of available coupons.

1           3. The method as in claim 2 wherein reducing said price  
2 includes reducing said price if a respective redemption number  
3 is greater than zero and said predetermined expiration date is  
4 later than a present date.

1           4. The method as in claim 1 wherein providing said  
2 portable coupon card to said consumer includes dispensing said  
3 portable coupon card from a point-of-purchase machine.

1           5. The method as in claim 1 wherein providing said  
2 portable coupon card to said consumer includes mailing said  
3 portable coupon card to said consumer.

1           6. The method as in claim 1 further comprising  
2 establishing a connection utilizing a computer network between  
3 a remote computer of a consumer and a host computer for  
4 electronically selecting coupon data offered at said host  
5 computer.

1           7. The method as in claim 1 further comprising  
2 receiving a payment from said consumer for said portable coupon  
3 card following the step of storing said consumer-selected  
4 coupon data thereon.

1           8. A coupon processing system, comprising:

2           a first database of coupon card accounts associated with a

3           plurality of portable coupon cards, each account

4           including a personal identification number associated

5           with a particular consumer, data representing a

6           plurality of consumer-selected coupons, an expiration

7           date for redemption of said consumer-selected coupons,

8           a plurality of redemption numbers representing the

9           number of times respective coupons may be redeemed

10          prior to said expiration date, and a consumer-selected

11          vendor name;

12          means for storing respective account data on a respective

13          portable coupon card;

14          a host computer connected to said first database and

15          connected to a computer network;

16          a vendor computer connected to said computer network and

17          adapted to communicate with said host computer for

18          receiving account data of a particular account for

19          which said consumer-selected vendor name is associated

20          with said vendor computer;

21          a second database of information related to a plurality of

22          vendor products, said vendor product information

23          including at least a price and inventory information

24          related to each vendor product;

25          wherein said vendor computer is electronically connected to

26          said second database;

27 means electrically connected to said vendor computer for  
28 reading said account data stored on said respective  
29 portable coupon card; and

30 means electrically connected to said vendor computer for  
31 identifying a particular vendor product selected by a  
32 consumer for purchase, said vendor computer adapted to  
33 modify said inventory information in said second  
34 database based on a sale of said particular product and  
35 to calculate a final purchase price of said particular  
36 product based on said account data read from said  
37 respective portable coupon card.

1 9. The coupon processing system as in claim 8 wherein  
2 said vendor computer is adapted to transmit coupons redeemed  
3 electronically by consumers to said host computer utilizing  
4 said computer network for redemption thereof with the issuer of  
5 said coupons.

1 10. The coupon processing system as in claim 8 wherein  
2 said host computer is adapted to receive a request from a  
3 remote computer connected to the computer network for  
4 establishing a new coupon card account in said first database,  
5 said host computer adapted to transmit signals for eliciting  
6 predetermined demographic information from a new user at said  
7 remote computer and prompting said new user to choose a new  
8 plurality of consumer-selected coupons from a library of on-

9 line coupons, said host computer adapted to assign a new  
10 personal identification number to a new record and store said  
11 demographic data and new plurality of consumer-selected coupons  
12 in said new record in said first database.

1 11. The coupon processing system as in claim 8 wherein  
2 said vendor computer is adapted to retrieve a respective price  
3 from said second database associated with a particular product  
4 identified by said identifying means and to reduce said  
5 respective price by an amount equal to a respective coupon  
6 identified by said reading means if a respective redemption  
7 number is greater than zero and said expiration date is later  
8 than a present date.

1 12. The coupon processing system as in claim 11 wherein  
2 said vendor computer is adapted to reduce said respective  
3 redemption number by one if said respective coupon is redeemed.

1 13. The coupon processing system as in claim 8 wherein  
2 said identifying means is a bar code reader.

1 14. A transaction instrument, comprising:

2 a generally rectangular card having an alphanumeric  
3 identification code imprinted on a first side thereof  
4 and a plurality of product identifiers imprinted on  
5 said first side, said plurality of product identifiers  
6 representing a plurality of consumer-selected coupons;  
7 and

8 a magnetic strip on a second side of said card, said  
9 magnetic strip adapted to store data representing at  
10 least said plurality of consumer-selected coupons and  
11 said personal identification number.

1 15. A transaction instrument as in claim 14 wherein  
2 each product identifier includes a name of a respective  
3 company, a respective product or brand name, and a quantity  
4 indicator if more than one quantity is offered by said company.

1 16. A transaction instrument as in claim 14 wherein  
2 said strip is adapted to store data representing an expiration  
3 date for redemption of said consumer-selected coupons, a  
4 plurality of redemption numbers representing the number of  
5 times respective coupons may be redeemed prior to said  
6 expiration date, and a consumer-selected vendor name.

1           17. The transaction instrument as in claim 14 wherein  
2   said card is dispensed by an ATM machine upon pre-payment of a  
3   monetary amount based on a value of said consumer-selected  
4   coupons.